

JPRS: 5899

14 November 1960

THE TEXTILE INDUSTRY AND LOCAL DEVELOPMENT IN INDONESIA

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THE TEXTILE INDUSTRY AND LOCAL  
DEVELOPMENT IN INDONESIA

[Following is the full translation of a  
series of articles in Suara Tunggal,  
Djakarta, Vol. III, Nos. 3 and 4, 31 Aug.  
and 7 Sept. 1960.]

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## 1960 YARN ALLOCATION

Following is the full translation of an article in Suara Tunggal, Djakarta, Vol. III, No 3, 31 August, 1960, page 14.

In connection with the Government program for home-textile production, -- so that the need for six meter textiles per capita can be covered --, "Suara Tunggal" contacted two Textile Manufacturers' Unions, "Koteksi" and "Sotexsi", in Djakarta and Bandung.

The two unions explained how they will get yarn allocations. "Koteksi" will get 2,000 tons and "Sotexsi" 8,000 tons, costing 400 million and 1,600 million rupiahs respectively. The yarn consists of various sizes: 12/s, 20/s, 30/s, 40/s, 42/2, and 30/2. Some are cotton and some are staple fibre.

According to the Chief Aide of the Minister of People's Industry, Hirawan Wargahadibrata, the yarn is mostly imported from Hongkong and Japan. The yarn that was imported from Japan was processed from the S.A.C. cotton surplus given to Indonesia in credit. The yarn supply will amount to 600,000 bales, according to Hirawan which, will cover the 1960 need, and even leaving some for 1961. The allocation to the manufacturers, however, is still to be smoothed.

The government, however, has already paid attention to stiff allocation of yarn. When Acting Minister of Basic Industry and Mining, Brigadeir General Suprajogi, returned his mandate to Minister Chaerul Saleh, he stated that by next September the Allocation Committee will have been able to give its report on how to overcome this problem.

In the meantime the spokesman of Bandung Sotexsi explained that not only the allocation but also textile production itself will run smoothly if the government provides enough credits for financing.

It was further said that Director General of Suhadi "Sotexsi" had met President Director of Indonesian Bank for Reconstruction, Mr. Sumanang, last August, but the result was still unveiled.

Unlike "Lebaran" textile, the Government now has allowed the Unions of Textile Manufacturers, such as Koteksi and Soteksi, to sell their production directly to cooperatives or food-and-clothing stores which had already been ordered.

The regulation was already ordained by the First Minister, with Ordinance no. 01/1960, issued on May 19, 1960.

## 1960 TEXTILE PROGRAM

Following is the full translation of an article in Suara Tunggal, Djakarta, Vol. III, No 4, 7 September 1960, page 13.

In conjunction with the actual problem of production and importation of textiles -- the fixation of Textile program for "Lebaran" 1961, and the effects of fiscal and monetary actions taken last August 24 --, it is necessary to describe the 1960 Government Textile Program here.

According to the Program, the Textile quota needed is 713 million meters; 294.7 million of which is to be imported and the rest to be made at home.

There are 31 statistical assortments of imported textiles. They range from velvet, lace, blanket, wool, and ribbon, to tulle, shirting, drill, poplin, etc.

So far, there are ten statistical assortments of textiles already produced at home:

1. artificial silk and half artificial silk	25,000,000 meters
2. shirting, super and unbleached sheeting, 34"/36"	63,750,000 "
3. lined plain cambrics, 38"	12,000,000 "
4. shirting cotton, 37"	79,000,000 "
5. unbleached poplin, drill, twill, etc.	20,670,000 "
6. ornamented cotton, shirting, drill, etc.	108,000,000 "
7. color printed cotton	7,550,000 "
8. curtain, canvas for shoes, etc.	400,000 "
9. cotton towel	40,000,000 "
10. bandage, etc.	39,680,000 "

A number of private textile importers, whose place now was taken over by the government owned import company, said to our correspondent that they could not give a clear picture of their future position as the result of government action in fiscal and monetary fields.

## INFLUENCE OF THE DJATILUHUR PROJECT IN LOCAL DEVELOPMENT

Following is the full translation of an article by Sulaiman Sutadiredja appearing in Suara Tunggal, Djakarta, Vol. III, No. 3, 31 August 1960, pages 12, 13, and 15, and in No. 4, 7 September 1960, page 12.

### I

While we are now in the process of overall development, where various big projects like Djatiluhur, Asahan and Brantas are being planned and set up, it is necessary for us to observe the effect of the big Djatiluhur project toward the people surrounding it.

The Djatiluhur project which is now under construction, as is known, is a multi-purpose project, located at a dam being built on the Tjitarum River, about ten kilometers southwest of Purwakarta city. The dam will become a central plant for electric power and irrigation whose stream will cover most of the northern part of West Java, from Greater Djakarta to Tjimanuk. This will be the first time for such a vast project in development history. It is therefore appropriate for us to pay good attention to it, since the lesson we obtained from it can also be applied to other developments in our country.

In the meantime the area involved in this project since its start in 1954 is of fifteen kilometers radius. The people involved are approximately 100,000. If electric power and irrigation is ready it will supply about ten million people.

The first group of people involved in this project were those who resided around the dam and along the banks of the upper river for fifteen kilometers. They were involved because their land was used for various establishments related to the dam and the dam itself, while people on the upper part were involved because their villages will be covered by water when the dam is finished.

Therefore they had to give up their ownership of land. They had to leave their property and everything on it, including their village life, tradition, etc. For that the Government paid them compensation.

The number of people who had to move is around ten thousand persons, a number which is not small. All of them now have already moved to various new places. Most of them, however, still reside around Djatiluhur, which is not affected by the project. Some also moved to Purwakarta city and the adjacent area. They could move so quickly because it is reported they already got the compensation and their land fell to the government.

There will be no one who will not agree that prompt action by the government to compensate them is a wise one. This will only mean that their hope is not being neglected and they did not have to wait for a long time.

Nevertheless, we regretted very much the fact that the removal of such a large number of people was unruly and unguided. It had such a substantial effect. After they got their compensation it was then up to them as to where and when they moved. They began to rush to find new lands. This, of course, caused the price of land to increase so highly. It also was followed by various social diseases, like fraud, treachery, etc., which are always symptomatic in such a condition. Here rules the law of liberalism -- if not to say the jungle law --, where the strong defeats the weak.

Such a phenomenon seems to be already usual in our society, although the cost is so great.

Let us figure out how much loss was suffered by the people because of that. The government paid three rupiahs per square meter of their land, while in order to get new land in their new settlement, they had to pay from ten to fifty rupiahs per square meter. This is in the village. In the city it will certainly be more than that. From their demolished buildings they were paid thirty rupiahs per square meter, while in order to be able to build a new house, they must spend much money, much more than the amount they go from the government.

As to the whole amount paid them by the government, it came to a huge fantastic amount of six hundred million rupiahs, an amount which could make anything if it is used properly.

But what happened to those refugees? Their life would not be better than before. It is true that there are some who became rich, because they obtained hundreds of thousands of rupiahs from the government. But for the majority it is probably worse. The existence of a great difference between

the few who got hundreds of thousands and the majority who got only a few thousands made it clear that the law of liberalism is already there.

Another loss which was unnecessarily suffered by those people is that they left their village early, while the project which is now under construction will not be finished for the next five years. In other words, the areas of the upper banks will not be covered by water until then. Nevertheless, the people in those areas had already moved two years ago. If their place will be covered by water in 1965, it means that they would have seven years where they could cultivate their land and keep going their business.

Let us say that they have five rupiahs income per capita per day. In a year the income will amount to  $364 \times 10,000 \times 5$  rupiahs = 18,200,000 rupiahs. This means that in seven years they lose 127,400,000 rupiahs.

Had everything been planned prior to the migration, such a big loss would never occur. In that plan it would include the area to be taken by each village for its new settlement. In addition a new village development program would also ensue. The land for their new settlement should be the cheapest one. This in fact is obtainable around Djatiluhur. After that a schedule for migration would be made. With good leadership the schedule can be done effectively. This would eliminate the fantastic amount of money wasted as described above.

The amount of money the government paid could have been used as a collective capital for development of a new life in a new village with a modern atmosphere. With the amount of 600 million rupiahs they could establish a new life undreamt by them. But all this was already gone. The only thing left is a lesson from that, a lesson which is useful for our next steps in carrying other new big projects.



## II

In our writing last week we already discussed the social loss with the waste of hundreds of millions of rupiahs, due to the unguided migration from the area of Djatiluhur project.

The loss is based on the fact that compensation, which amounted to hundreds of millions of rupiahs, was used inefficiently. In addition, other hundreds of millions of rupiahs were lost because they left their village early when they, still could continue cultivating before their land was covered by water.

Another aspect of the influence of the Djatiluhur project is the monetary problem for the surrounding areas. It is easy to understand that when a big amount of money is thrown to society, inflation appears, especially local inflation. The price of goods rapidly increases. This includes the price of staples and the materials used for the project itself.

The price of coral stone in mid-1957, for example, was fifty rupiahs per cubic meter. In the beginning of 1959 it was already sixty five, and now it is a hundred rupiahs.

With the increase of the price of materials, the cost of the project would also increase automatically. The former budget plan was thus no longer valid. It is therefore difficult to make a fixed program for the project.

The more important thing for us to describe here is the price rate and its impact on the people around Djatiluhur. It is also understood that for the workers whose wage remains unchanged, the impact of local inflation is unbearable. This affects their work activity and therefore affects production. It is no wonder why the civil servants around Djatiluhur sigh. This happens to the local migrants and other villagers as well.

When they left the village they also left their old occupation as peasants. It is true that labor is found in the project, but for those who have never been laborers, labor is unattractive. They therefore scarcely go to find labor in the project. Those who work as laborers come mostly from outside Djatiluhur. The people of Djatiluhur themselves chose trade, instead.

Since this field is new for them, they are frequently hit by bitter experiences. There are indeed those who are successful in their trade. But they already had some prior experience as traders in their village. They mainly trade in construction materials, like bamboo and wood. The majority, however, live in a transition from peasantry to trade with all its effects. Most of them, however, were unsuccessful.

The first impression after we visited Purwakarta several years ago was that there have been so many new and modern houses in the town. Most of the old houses in town were made of bamboo. Now new houses, especially along the streets, are made of brick. When we asked who owns the houses, we then discovered that they are mostly owned by contractors, administrative workers, and workers on the project. Only a few of them owned by the migrants. This is not to say that some are also owned by those who got benefits from the project through various unsound ways.

Most of the migrants built their houses outside the town, along the way between Purwakarta city and the Djatiluhur project. The houses were built of bamboo, close to each other, without yards. They are similar to old houses in Purwakarta.

The quarter is new for them. It resembles none of their former village atmosphere. Especially in this first stage, they face many difficulties and barriers.

When we asked them how the life is now, compared to the former one, the first answer was: now we have to buy everything, even charcoal.

For the town dwellers the answer might sound odd, because they have been used to buying charcoal. But for the villagers, if they just step outside their house the wood is already there. Now all is changed. Although now they do not live in the city proper, their living conditions are almost similar to those of the people in town.

"Everything is to be bought"; this is the slogan of life in their transitional period.